

COMMISSIONERS APPROVAL

CHILCOTT

LUND *BT*

THOMPSON *AT*

TAYLOR (Clerk & Recorder)

Date.....April 25, 2006

Members Present.....Commissioner Greg Chilcott, Commissioner Betty Lund and Commissioner Alan Thompson

Minutes: Sally Fortino and Glenda Wiles

The Board of County Commissioners met to appoint the election of judges for 2006-2007 elections. Commissioner Lund made a motion to appoint election judges as presented and for them to attend orientation class on May 5, 2006. Commissioner Thompson seconded and all voted 'aye'.

Commissioner Thompson made a motion to sign the contract for services with Jeff Minckler for union negotiations. Commissioner Lund seconded the motion, and all voted 'aye'.

In other business the Board of County Commissioners met for airport lease approval and other airport matters. Red Caldwell, Airport Manager, and Fred Haaskamp, Airport Advisory Board Member, were present. Mark Fournier and Tom Kimp were also present to speak to the Commissioners.

Red presented new leases. He has sent memos to all who have not yet signed them, and will hold them until the leases are paid, at which time they will be recorded. The Airport Board recommended the transfers. Red said he has the commercial lease, but not the money. Commissioner Chilcott said all must be treated alike.

Red said the Board has approved three other transfers, but don't have all the information yet. Big Sky has begun working on the transfer of Big Sky Fueling to Pogo Pumps.

Mark said he has spent \$250,000 on this project. He and Tom purchased a helicopter and spent a fair amount of money, wanting to make it commercial. They tried to get fuel at a discount, but have not been able to buy fuel at discount prices. One person has exclusive use of all commercial things at the airport (training, rides, etc.) Everything is driven by the availability of fuel. That is how it started.

He stated North Star has eliminated his rights to do these things. They have tied up everything because they want no competition. He stated he and Tom followed the rules

for the fuel system and they would like a 12,000-gallon tank. If he has to install a fuel farm and transport fuel, it will be a hazard to the community in transit and an environmental hazard in pumping (splash-filling). This is a tank made for an airport. If it needs to be aesthetic they will landscape the area. He stated they will have a very nice building.

Mark stated they bought a tanker truck made for an airport. Some didn't like it so they replaced it with three smaller ones. He stated they have no problem working through the system. And if they can get the tank they won't need the tanker trucks. Mark stated they are simply asking what is the safest, most economical, most logical way to go. He felt their system is set up to be safer and further away from other businesses/facilities than North Star. The only reason he and Tom wouldn't be approved is because someone else is lobbying to make us spend more money. He asked why he and Tom would want to put in a system to match one that isn't the best system available. They would also like to have planes available for people to rent.

If you rent to one independent contractor, you have to rent to all of them. North Star is picking and choosing who they will work with and who can use their equipment. Mark stated he and Tom are asking to live under the rules that were published. They plan to provide more classes (aerobatics, for instance) that will bring more people to Hamilton. That can't be done without fuel. Competition is the American way. Grant assurances expect competition. His business will bring a service that no one else has. In order to do this they must have fuel, and the way we propose to handle the fuel is safer. A 2,000-gallon tank is the least safe system. He stated they have invested the money to bring in a good, up-to-date system. Mark stated he is open to discussion or questions, but we would like a decision.

Commissioner Lund asked who would do the paving of the radius of the taxiway apron. Mark said he would do it, and pay for it. Commissioner Lund said she has a letter from a Board member that says a site plan is needed. Red said he has the site plan. Fred said he doesn't remember seeing a real plan or drawing.

Mark said we went beyond precedents on what has been done in the past. The precedent that has been set is that the Commissioners get a footprint showing where the building is sitting on the land. He stated they have given everything the Commissioners have ever received in the past.

Mark stated they gave the size of the building and one reason for not laying out their business plan is that it comes under the scrutiny of the competition. It generated letters from every Board member. One Board Member suggested he make a list of four potential students before he can even begin. Mark stated that is his business. The criteria of the Board of County Commissioners is seeing the footprint, knowing the procedure is monetarily sound and location, and can be approved by FAA. They have met all the criteria and have been scrutinized more than anyone.

Commissioner Lund asked where the separate hangar is located.

Mark explained it is north of North Star, east of the Forest Service building. That has been approved. Commissioner Lund asked where the future hangar would be. Mark said it is due west. A discussion of layout for future uses followed, which included maps and drawings. Red explained present and future uses for hangar areas.

Mark explained that he presently plans for a 12,000-gallon fuel tank, filled with the fuel most frequently requested. There is not as much call for jet fuel. He could have that available from trucks.

Commissioner Thompson said there used to be an FBO, which didn't fill the needs of the community; North Star came in and filled the need. He also noted there was some concern when they spoke of transferring the FBO. And quite frankly, this could have been handled much easier. Right now, there is a concern for ramp space, which seems to be getting addressed. Commissioner Thompson stated he has no concern with the self-service. The original concern was that Mark wanted to sell fuel. Commissioner Thompson stated if the Board had seen a detailed business plan this would have been quite simple. There have been hard feelings and phone calls and letters over something that should have been easily handled. Commissioner Thompson advised Mark that he comes across as an 'arrogant individual who has decided what you want and expects everyone to agree'. He further stated if Mark does not infringe on hangar space with Mr. O'Bagy, he has no problem with the proposal.

Mark said the original spot was promised to a helicopter guy. These other places were promised years ago. The spot under discussion was being considered by another person, but about a year transpired with no decision. He said he wanted the space. Red said he had to speak to the other person first. The other person, Mr. O'Bagy, said he did want it. Commissioner Thompson asked how large a building is being planned. Mark said it will be 50'x45', with a lounge, restrooms, and a classroom.

Commissioner Chilcott said he has a problem with a large fuel capacity. Student pilots may not be as well schooled in self-service fueling. He stated he realize what Mark is saying about the safety of filling from a truck.

Mark said a branded fuel would not fill truck to truck, only truck to tank. The tanks are the same distance from the ramps as the trucks would be. Commissioner Chilcott said the larger the tank, the bigger the boom. The Commissioners original approval was for site B for a 2000-gallon tank. Now they are hearing a 12,000-gallon tank. The Advisory Board at the airport has indicated concerns with the quantity. This Board has never promoted or protected exclusive use or exclusive vendors.

Mark said they are already set up with high-speed Internet, bathrooms, etc. Jack provides A/P services. Minimum standard requires one other service, which they have with the flight school. They must purchase at least 8000 gallons.

Commissioner Chilcott asked if the business plan could accommodate an 8,000-gallon tank.

Mark said he could do it with a 10,000-gallon tank.

Commissioner Chilcott asked what the Airport Board recommended on the proposal. Red said they approved it.

Fred said Mark made a good presentation as they learned more of what is going on. The Airport Board approved the transfer, contingent upon meeting FAA requirements and Board of County Commissioners' requirements.

Commissioner Chilcott said they were approving the transfer of the lease as it was presented at the time.

Mark noted he had to meet minimum standards. Letters from the Airport Board indicated they were trying to eliminate competition.

Commissioner Chilcott said the Board of Commissioners does have a say on how it looks. Separations and widths of runways are part of what determines designations of airports.

Fred said the engineer advised them that FAA wouldn't allow the big tanker trucks. Axle weights, etc. are concerns. He has done some research; some facilities keep everything in a fuel farm. Fuel dispensed on Gallatin Field comes from a fuel farm. Cody and Afton, Wyoming have similar facilities.

Commissioner Chilcott said the fewer transfers the better, as it protects the asphalt and the environment.

Mark said splashed fuel could ignite. With a tank you are on a concrete pad, no traffic in the way. Commissioner Chilcott asked if the area could be barricaded to keep out-of-control aircraft from running into tank. Mark said it could be done.

Commissioner Chilcott asked about the time frame for the operational phase. Mark said it would start immediately.

Fred said the FAA and engineers said the definition of FBO was the only weak point in their standards. This meets the standards of that definition. Their concern is someone abandoning all peripheries for the sake of one. This should be a legitimate aviation business.

Commissioner Chilcott noted Pogo Pumps and Viper Air would provide the Hamilton Airport with fuel and mechanical services, flight school, pilot lounge, weather advisories, rentals and leases.

Mark said he is adding a service that prints out FAA-approved maps for flight plans. Commissioner Chilcott said the Board of County Commissioners expects Mark to live up to the original terms of the lease, including paving of the 'bottleneck' area. And if they grant a deviation from the 2,000 to a 10,000-gallon tank, Mark will need to provide safety barriers.

Mark said jet fuel would be stored in 6,000-gallon tanks.

Commissioner Chilcott reiterated the proposal is for 2,000-10,000 capacity tanks and a 6,000 maximum size tank for jet-A fuel.

Commissioner Lund made a motion to approve the lease for POGO Pumps (lease transfer from Max Martz) for the purpose of providing fuel services, mechanical services, flight school, pilot lounge, weather advisories, rentals and leases, with the paving of the 'bottleneck' area, those items agreed upon with the Airport Board, and to include proper landscaping. Commissioner Thompson seconded the motion, and all voted 'aye'.

Mark asked about the other lease.

Red said they would approve the purchase of P-2 first; then he will send the issue to FAA for amendment to ALP (airport lay out plan). Red stated this computation does not include 10' around the building.

Commissioner Lund made a motion to approve the lease transfer on hanger P2 from Alva Howe, also known as #195, to Viper Air and Pogo Pumps. Commissioner Thompson seconded the motion, and all voted 'aye'.

Commissioner Lund made a motion to allow construction for the building, contingent on FAA approval. Commissioner Thompson seconded the motion, and all voted 'aye'.